

SECTION C - DESCRIPTION / SPECIFICATIONS / WORK STATEMENT

C.1. ACRONYMS

- 1.1. AQL - Acceptable Quality Level
- 1.2. CO – Contracting Officer
- 1.3. COB – Close of Business
- 1.4. DAS – Deputy Assistant Secretary, executive level, HUD
- 1.5. EST – Eastern Standard Time (U.S.)
- 1.6. FFMIA – Federal Financial Management Improvement Act
- 1.7. FMFIA – Federal Managers’ Financial Integrity Act
- 1.8. FRD – Functional Required Document
- 1.9. FTE – Full Time Equivalent
- 1.10. GAO – U.S. General Accounting Office
- 1.11. GTM - Government Technical Monitor
- 1.12. GTR - Government Technical Representative
- 1.13. HUD – U. S. Department of Housing and Urban Development. The terms “U. S. Department of Housing and Urban Development,” “HUD,” and “Government” are synonymous, and may be used interchangeably.
- 1.14. NIST – National Institute of Standards and Technology
- 1.15. OCFO – Office of the Chief Financial Officer
- 1.16. OMB – Office of Management and Budget
- 1.17. PRS – Performance Requirements Summary
- 1.18. PWP – Performance Work Plan
- 1.19. PWS – Performance Work Statement
- 1.20. QCP – Quality Control Plan
- 1.21. QSAP – Assurance Surveillance Plan
- 1.22. SDM – System Development Methodology

C.2. DEFINITIONS

- 2.1. **CONTRACT** - A written mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them
- 2.2. **CONTRACTING OFFICER** - A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings
- 2.3. **CONTRACTOR** - The individual, partnership, corporation, or other entity, which is the party subject to the terms and conditions of this contract
- 2.4. **DAY** - A calendar day, unless otherwise specified.
- 2.5. **E.I.T.** - "Electronic and information technology (EIT)" has the same meaning as "information technology" except EIT also includes any equipment or interconnected system or subsystem of equipment that is used in the creation, conversion, or duplication of data or information. The term EIT, includes, but is not limited to, telecommunication products (such as telephones), information kiosks and transaction machines, worldwide websites, multimedia, and office equipment (such as copiers and fax machines).
- 2.6. **I.T.** - "Information Technology" means any equipment, or interconnected system(s) or subsystem(s) of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information by the agency.
 - (1) For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a contractor under a contract with the agency that requires-- (i) Its use; or (ii) To a significant extent, its use in the performance of a service or the furnishing of a product.
 - (2) The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.
 - (3) The term "information technology" does not include any equipment that-- (i) Is acquired by a contractor incidental to a contract; or (ii) Contains imbedded information technology that is used as an integral part of the product, but the principal function of which is not the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment, such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, are not information technology.
- 2.7. **KEY PERSONNEL** - Personnel specifically considered to be essential to the work being performed under this contract, pursuant to HUDAR 2452.237-70, Key Personnel.
- 2.8. **REASONABLE ACCOMMODATIONS** (as applied to 36 CFR 1194 - Section 508 of the Rehabilitation Act of 1973) – A recipient of federal funds shall make reasonable accommodation to the known physical or mental limitation of an otherwise qualified person unless the recipient can demonstrate that the accommodation would impose an undue hardship on the operation of its program. Courts have required accommodations that achieve “meaningful equal opportunity.” Accommodations need to take into account both the functional limitations of the individual and the alternative methods of performing tasks or activities, which would permit people of varying abilities to participate without jeopardizing outcomes. At a minimum, the accommodations must be individualized, the individual needs of the persons with a disability should be met to the same extent as the

needs of persons without handicapping conditions, modifications can be made to regular programs or the provision of different programs may be necessary and accommodations should place the individual with a disability at an equal level with the non-handicapped individual.

- 2.9. Working Day – Monday through Friday, excluding Federal holidays.

C.3. OVERVIEW

3.1. U. S. Department of Housing and Urban Development's (HUD) Mission

HUD's mission is to "increase homeownership, support community development, and increase access to affordable housing free from discrimination." This is a complex challenge, but it reflects the responsibility HUD has to every American. The Office of the Chief Financial Officer (OCFO) plays a major role in ensuring that the agency accomplishes this mission. In addition to the various financial management responsibilities of the office, the OCFO provides clearly defined, broad-based, financial management policy specifications that ensure resources are safeguarded against fraud, waste, and abuse. The OCFO, in cooperation with HUD's internal customers and business partners continues to improve HUD's ability to serve the public.

3.2 HUD Compliance with OMB Financial Policy Guidance

The Office of Management and Budget (OMB) issues policy guidance in the form of circulars and bulletins on financial management systems policies based on legislation and other requirements that define what constitutes effective and efficient financial management systems in the Federal Government. Agencies are required under Section 4 of the 1982 Federal Managers' Financial Integrity Act (FMFIA) and the 1996 Federal Financial Management Improvement Act (FFMIA) to ensure that systems meet this guidance. They must also meet the requirements of appropriate legislation using various circulars, bulletins, letters and guides.

- 3.3 To ensure that HUD's financial management systems comply with OMB policy guidance, the Department is conducting an evaluation of its financial management systems in accordance with FMFIA and FFMIA. As part of the March 2000 and previous annual audits of HUD's fiscal year financial statements, the Office of the Inspector General (OIG) reported that HUD does not substantially comply with the requirements of FFMIA. HUD seeks a Contractor with experience in A-127 compliance to conduct an independent review of its financial management systems. This independent review will enable the Department to evaluate and validate the quality of its self-assessments and determine the impact, level, and status of its non-compliant systems.

C.4 OBJECTIVES AND EXPECTED OUTCOMES

4.1. Objectives

- 4.1.1. The major objective of this Performance Work Statement (PWS) is to conduct an independent review of HUD's conforming and non-conforming financial management systems, along with the related feeder processes to:
- **DETERMINE** whether HUD systems are appropriately classified as financial.
 - **ASSESS** and certify the level of conformance of each financial system with the requirements of OMB Circular A-127, Section 7, FFMIA, and FMFIA.
 - **RECOMMEND** improvements for correcting deficiencies in non-conforming financial systems and provide measures for preventing non-compliance in conforming systems.
- 4.1.2. This process will be done for all of HUD's financial management systems, beginning with those systems most recently certified as compliant by HUD program offices. This procurement consists of twelve systems (nine compliant, three non-compliant)

Compliant Systems

- HUD Procurement System (HPS), A35
- HUD Small Purchase System (SPS), P035
- Low Rent Housing Security Ledger (LRHSL), A44D
- Total Estimation and Allocation Mechanism (TEAM), D91A
- Section 235 Automated Validation and Editing System (SAVE), A65A
- Empowerment Zone/Economic Dev. (EZ/EC), C39
- Albany Financial Operations Center System (AFOCS), P007
- Computerized Home Underwriting Management System (CHUMS), F17

Non-Compliant Systems

- Debt Collection Asset Management System (DCAMS), F71
- Title I Insurance and Claims (TIIS), F72
- Multifamily Insurance and Claims Systems (MIC), F75
- Single Family Insurance Claims Subsystem (SFICS), A43C

Please Note: When systems are determined to be non-financial or there is an agency decision to replace a system based on agency needs, systems will be replaced by other agency financial management systems of comparable complexity to the systems dropped from the list. When a system is determined to be a mixed system, the review will continue as required by the agency.

- 4.1.3. HUD has an inventory of approximately forty-eight Financial Management Systems that are required to be compliant with OMB Circular A-127, FFMIA, and related requirements as shown in 6.1 of this PWS. At the sole discretion and judgment of the agency, ten additional systems not included in this PWS will be scheduled for review during a seven-month first option to this contract. At the end of the first option, the remaining systems in the inventory—approximately ten, but not more than twelve—shall also be reviewed under this same contract as option 2 during a seven-month period. Based upon Departmental needs, the agency may determine “*not to*” exercise either option.

4.2. Expected Outcomes

- 4.2.1. At the conclusion of this effort, the OCFO will have obtained an independent review for each of the twelve HUD financial systems with outcomes for each system, as follows:
- **List of determinations** specifying (a) whether systems have been appropriately classified as financial; and (b) the level of compliance in accordance with OMB Circular A-127, FFMIA, FMFIA, applicable regulatory and statutory requirements listed in Section C.5 of this work statement.
 - **List of recommended improvements** for correcting any identified deficiencies with practical timelines and discussions showing impact of deficiencies on the status of the Department’s financial management.
 - **Evaluation of remediation** and/or action plans to determine compliance with A-127 and related statutory and regulatory requirements for each of the financial management systems identified as non-compliant.

C.5. Scope of Work

5.1. Task 1: Project Work Plan (PWP)—See Section J, Attachment B

- 5.1.1. The Contractor shall submit a fully completed Project Work Plan to carry out the A-127 Review project within two (2) calendar weeks after the issuance of contract award. The PWP shall consist of a narrative description and a graphic summary of the schedule and financial elements of the contract. The narrative shall:

- (1) *describe* the planned deliverables schedule;
- (2) *identify* each step in the work process required for completing the contract work and the period of time needed to accomplish each step, expressed in terms of calendar dates;
- (3) *provide* the staff, financial, and other resources allocated to each task; and
- (4) *provide* the rationale for project organization, staff utilization, and other resources allocated to each task or activity. A final work plan shall be provided within five calendar days after GTM/GTR review of the draft work plan. Changes to the work plan shall be reviewed and accepted by the GTM, GTR, and the contractor’s project manager prior to work beginning on the contract. Provisions will be established to update the PWP at appropriate junctures, as directed by the GTM.

5.2. Task 2: Quality Control Plan

- 5.2.1. The Contractor shall provide the GTR with a Quality Control Plan (QCP). The Contractor shall provide the QCP to the GTM/GTR within two calendar weeks from contract award date. The GTM will notify the Contractor of HUD’s acceptance of, or required modifications to, the QCP before the commencement of performance under the contract. The Contractor shall make appropriate

modifications within five calendar days of the GTR's notification and provide a revised draft to the GTR and GTM for final concurrence. The QCP shall include:

Inspection Plan—The Inspection Plan shall be used by the Contractor to monitor all services listed in the Performance Requirements Summary (PRS) Table in Section 8.1. "Inspection" here means close observation by the Contractor of the Contractor's work, while it is being performed, with the goal of obtaining the highest level of quality work and on-time performance for the Government. The Inspection Plan shall include, but not be limited to:

- (1) A description of the methods to be used for identifying and preventing defects in the quality of service performed.
- (2) Areas of work to be inspected on a scheduled and unscheduled basis, the frequency of inspections, and the title and organizational placement of inspectors.
- (3) A description of records to be used to document inspection activities.
- (4) The reporting process to be used for the documented inspection activities.
- (5) A log of corrective or preventive actions to be taken. All areas of quality control, including provisions to ensure adherence to delivery schedules, and overall program planning/management tools in place to ensure effective resource use and to address critical problems.

5.3. Task 3: Progress/Status Reports

- 5.3.1. The Contractor shall provide to the GTM and GTR bi-weekly Progress/Status Reports. The Progress/Status Reports will show actual progress against the Project.

5.3.1.1. Work Plan. The Progress/Status Reports shall:

- (1) Provide a brief, factual summary description of technical progress made during the reporting period;
- (2) Identify significant problems and their impacts, causes, proposed corrective actions; and the effect that such corrective actions will have on the accomplishment of the contract objectives; and
- (3) Provide the schedule status or the degree of completion of tasks/activities by time intervals.

5.4. Task 4: Assess and Confirm HUD Financial Management Systems and related feeder processes as financial or non-financial and conforming or non-conforming with OMB Circular A-127, FMFIA, FFMIA specifications, applicable regulatory and statutory requirements.

- 5.4.1. The Contractor shall conduct an independent review of financial management systems for the following:

Compliant Systems

- HUD Procurement System (HPS), A35
- HUD Small Purchase System (SPS), P035
- Low Rent Housing Security Ledger (LRHSL), A44D
- Total Estimation and Allocation Mechanism (TEAM), D91A
- Section 235 Automated Validation and Editing System (SAVE), A65A
- Empowerment Zone/Economic Dev. (EZ/EC), C39
- Albany Financial Operations Center System (AFOCS), P007
- Computerized Home Underwriting Management System (CHUMS), F17

Non-Compliant Systems

- Debt Collection Asset Management System (DCAMS), F71
- Title I Insurance and Claims (TIIS), F72
- Multifamily Insurance and Claims System (MIC), F75
- Single Family Insurance Claims Subsystem (SFICS), A43C

- 5.4.2. Attachment A contains a brief description of each system. The review for each system will be conducted in accordance with the Standards and Guidelines listed in Section 8 with a report produced for each system. **(IT IS IMPORTANT TO NOTE THAT A REPORT must be produced by the contractor for each system. These reports and all related data including attachments, enclosures, exhibits, illustrations, figures, and so forth—without exception, shall become the sole property of the United States Federal Government, Department of Housing and Urban Development. Annotations of any kind as proprietary data or any other means claiming or intending ownership by the contractor (whether directly stated, indirectly stated, or implied) are prohibited in the text of these reports.**

The following standards and guidelines are especially pertinent to the work and requirements of the A-127 Review project:

- Federal Managers Financial Integrity Act (FMFIA) of 1982.
- OMB Circular A-127, Section 7, Financial Management System Requirements
- Federal Financial Management Improvement Act (FFMIA) of 1996
- Core Financial System requirements: Checklist for Reviewing Systems under the Federal Financial Management Improvement Act (GAO/AIMD-00-21.2.2), February 2000.
- OMB Bulletin No. 98-08, Audit Requirements for Federal Financial Statements
- OMB Circular A-123, Management Accountability and Control
- OMB Circular A-130, Management of Federal Information Resources

5.5. **Task 5: Test and confirm twelve systems as compliant or noncompliant. (System operation and performance must be validated.)**

- 5.5.1. The contractor shall identify through user reviews and on-site system testing, whether each system is operating in accordance with HUD's system development methodology (SDM) and 5.5 above. **NOTE:** This testing includes comparing user technical personnel responses to determine inconsistencies along with actual system validation testing and system demonstrations at the test site. The actual system must be tested to validate the status for both regulatory and statutory compliance.

5.6. **Task 6: Document recommended improvements needed for compliance of twelve systems and related feeder processes according to Federal requirements.**

- 5.6.1. The contractor shall thoroughly document each system as to required improvements for compliance and to better serve HUD program offices and its external customers. This documentation shall be presented in the form of the suggested Final Review Report Format (Attachment B). The contractor shall also provide observations and recommendations for improvement in *potentially weak areas* to prevent future audit findings. Observations and recommendations will discuss specifically what was observed and provide a narrative listing showing

corrective actions for improvement. A tabbed summary report of all systems must be provided at the end of the review.

5.7. Task 7: Evaluate remediation plans to correct deficiencies.

- 5.7.1. When a system is identified as nonconforming in the final report, the contractor shall evaluate agency remediation plans and, as required, provide recommendations for improvement. Recommendations shall include a practical timeline or schedule; the potential risk and cost of not meeting the schedule; and the impact of the current system status on agency financial operations.

5.8. Task 8: Update A-127 automated self-assessment tool in MS Word to track systems' status.

- 5.8.1. At least thirty days prior to completion of the project, the A-127 automated self-assessment tool must be updated in word. Data must be recorded on a CD and include all A-127, A-130, A-123, Treasury, FFMIA, FMFIA, JFMIP, GAO, related regulatory and statutory requirements. **Please Note:** A new tool must be created in MS Word, if the data cannot be updated using the current tool.

C.6. SCHEDULE OF CONTRACTOR DELIVERABLES

The Contractor shall be responsible for, and its performance shall in part be measured by, the timeliness and quality of the deliverables listed below. Time frames shall allow for one week of Government review and one week of Contractor revision, unless otherwise noted. Durations are expressed in terms of time elapsed since contract start (CS) as included in the detailed work plan or as shown below. The agency or the contractor has the option to follow the existing schedule below or to prepare an alternate schedule provided it is acceptable to the Department. The alternate schedule must be addressed in the Detailed Work Plan. Revisions must be approved and signed by the GTM.

System	Task	Duration
<p>1. Project Work Plan must cover milestones for all systems included as part of this Performance Work Statement (PWS).</p> <p>2. Quality Control Plan must cover all tasks related to completion of system reviews for this PWS.</p> <p><u>Compliant Systems</u></p> <ul style="list-style-type: none"> • HUD Procurement System (HPS), A35 • HUD Small Purchase System (SPS), P035 • Low Rent Housing Security Ledger (LRHSL), A44D • Total Estimation and Allocation Mechanism (TEAM), D91A • Section 235 Automated Validation and Editing System (SAVE), A65A • Computerized Home Underwriting Management System (CHUMS), F17 • Empowerment Zone/Economic Dev. (EZ/EC), C39 • Albany Financial Operations Center System (AFOCS), P007 <p><u>Non-Compliant Systems</u></p> <ul style="list-style-type: none"> • Debt Collection Asset Management System (DCAMS), F71 • Title I Insurance and Claims (TIIS), F72 • Multifamily Insurance and Claims Sys. (MICS), F75 • Single Family Insurance Claims 	<p>Project Work Plan</p> <p>Quality Control Plan</p> <p><u>Please Note:</u> Both of the above documents shall be presented to the Department's representative at the same time, under separate cover</p>	<p>Contract Start (CS) + 2 weeks</p> <p>CS+2 weeks</p>

System	Task	Duration
Subsystem (SFICS), A43C		
3. All Systems included as part of this Performance Work Statement.	Project Status Report	Bi-weekly for duration of project
<p>4. First Set of Systems for Review:</p> <p><u>Compliant Systems</u></p> <ul style="list-style-type: none"> • HUD Procurement System (HPS), A35 • HUD Small Purchase System (SPS), P035 • Low Rent Housing Security Ledger (LRHSL), A44D • Computerized Home Underwriting Management System (CHUMS), F17 	<p>For each System:</p> <ul style="list-style-type: none"> • Two Draft Reports or as requested by the GTM • Final Report <p><u>Note:</u> Contractor will be advised when a second draft report is required. All agency changes to the draft report must be reviewed by the GTM and program offices before final printing.</p>	<p>CS+16 weeks</p> <p>CS+18 weeks</p>
<p>5. Second Set for Review:</p> <ul style="list-style-type: none"> • Total Estimation and Allocation Mechanism (TEAM), D91A • Section 235 Automated Validation and Editing System (SAVE), A65A • Empowerment Zone/Economic Dev. (EZ/EC), C39 • Multifamily Insurance and Claims System (MICS), F75 	<p>For each System:</p> <ul style="list-style-type: none"> • Two Draft Reports or as requested by the GTM • Final Report <p><u>Note:</u> Contractor will be advised when a second draft report is required. All agency changes to the draft report must be reviewed by the GTM and program offices before printing of final report.</p>	<p>CS+34 weeks</p> <p>CS+36 weeks</p>
<p>6. Third Set of Systems and Summary Report</p> <p><u>Non-Compliant Systems</u></p> <ul style="list-style-type: none"> • Collection Asset Management System (DCAMS), F71 • Title I Insurance and Claims 	<p>For each System:</p> <ul style="list-style-type: none"> • Two Draft Reports as requested by the GTM • Final Report <p><u>Note:</u> Contractor will be advised when a</p>	<p>CS+46 weeks</p> <p>CS+48 weeks</p>

System	Task	Duration
(TIIS), F72 <ul style="list-style-type: none"> • Single Family Insurance Claims Subsystem (SFICS), A43C • Evaluate Remediation Plans, prepare Summary Report of systems reviewed, and ensure availability of procedures for both manual and automated business processes. 	second draft report is required. All agency changes to the draft must be reviewed by the GTM and program offices before final printing.	
7. Automated Self-Assessment Tool	Update or create A-127 assessment Tool in MS Word using applicable regulatory and statutory requirements.	CS+52 weeks

C.7. PERFORMANCE-BASED MEASUREMENTS AND INCENTIVES

7.1. Performance Due Dates

All deliverable due dates (including those for services) must be met in accordance with the contract schedule. Schedule delays that are not beyond the Contractor's reasonable control will result in the withholding of regular contract payments according to the milestone schedule of payments until the Contractor's satisfactory completion of the deliverable.

7.2. Performance Evaluation Meetings

The GTR/GTM may require the Contractor's Program or Project Manager to meet with HUD procurement officials and other government personnel as necessary. The Contractor may request a meeting with the GTR/GTM whenever the Contractor's technical or administrative personnel believe such a meeting is necessary. HUD will ensure that all pertinent HUD staff is made available to the Contractor for completion of this work. The Contractor shall prepare and provide written minutes of any such meetings to the GTR/GTM for signature by HUD Program Management. If the GTR/GTM does not concur with any portion of the minutes, notice of such non-concurrence will be provided to the Contractor's Program or Project Manager and contracts representative within five calendar days following receipt of the minutes. The Contractor shall acknowledge or resolve all disputes and resubmit the minutes to the GTR/GTM within five business days of receipt of the HUD non-concurrence.

7.3. Performance Quality Evaluation

Task quality level will be assessed by HUD's evaluator (GTM), based on a yes-no evaluation of completed tasks and subtasks, using compliance with HUD's System Development Methodology as the standard. The Federal Government will periodically evaluate the Contractor's performance in accordance with the performance goals and objectives of this PWS. For those tasks listed in the Performance Requirements Summary (PRS) in Paragraph 7.6 the GTM or other evaluators will follow the methods of

surveillance specified in the contract, and keep written records of their observations. When an observation indicates defective performance under the terms of the contract, the GTM or other evaluators will require the Program or Project Manager (or their designated on-site representative) to acknowledge notification of the deficiency by signing and dating the observation. Such acknowledgment will not necessarily constitute the Program or Project Manager's concurrence with the finding. Government surveillance of tasks not listed in the PRS or by methods other than those listed in the PRS may occur during the performance period of the contract. Such surveillance will be accomplished according to standard inspection procedures or the applicable provisions of the contract. Any action taken by the Contracting Officer (CO) as a result of surveillance will be in accordance with the terms of the contract.

7.4. Milestone Payment Schedule

Payment to the Contractor shall be made in accordance with the contract and agreed to by the parties. Suggested payment schedules may be submitted with the offer. Any negative evaluations will result in withholding regular contract payments until contract work is performed at the acceptable level in accordance with the Performance Requirement Summary and as evaluated by the GTR/GTM. (See 7.6 PRS)

7.5 Performance Incentives

During the performance of the contract, the Contractor shall be evaluated by HUD's GTM in accordance with the overall level of compliance with the technical performance requirements of the contract. The Performance Requirements Summary Table lists those performance indicators by element against which Contractor performance will be measured for the purposes of this initiative. This table illustrates, but does not supersede or replace the performance requirements and criteria listed elsewhere in this Performance Work Statement. In the event of a conflict, the Performance Work Statement prevails. The Government may, at its sole option, elect to include or waive performance incentives by the use of a modification to this contract, as it determines appropriate when the quality of performance and justifications for delays in meeting deadlines are unacceptable to the GTM. Additionally, the Government and the Contractor may mutually agree to an adjustment of these standards, and they may also mutually identify additional performance elements in the specific tasks being performed as work under the contract progresses. All such agreements shall be committed to writing, and approved by the HUD GTR/GTM, to be binding on either of the parties to the contract. See Table starting at C.5 of this PWS.

7.6 **Performance Requirements Summary (PRS) Table**

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>Project Work Plan (PWP)</p> <p>Task 5.1.1</p>	<p>Contractor shall submit a PWP that shall include task schedules and milestones, and be compliant with HUD and other published Government standards. PWP must be complete, usable, consistent, and readable. Only one revision of the PWP may be made before final approval by the GTM.</p>	<p>The GTM/GTR or other evaluator will review the PWP to ensure it meets the Performance Standard, and examine delivery date to ensure that it is delivered within 2 calendar weeks after contract award.</p>	<p>100% payment for this task will be made on successful completion of the task as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>Quality Control Plan (QCP)</p> <p>Task 5.2.1</p>	<p>The contractor shall submit a QCP that shall include an Inspection Plan. Revisions allowed within two calendar weeks of contract award.</p>	<p>The GTM/GTR will review the QCP for breadth and depth of quality control, including responsiveness of the Contractor to compliance to current A-127 issues. The plan will also be reviewed to determine suitability for the project. Agency comments will be provided to the contractor before acceptance of this task. The agency representative (GTR/GTM) will examine the delivery date to ensure that the QCP is delivered within two calendar weeks after contract issuance.</p>	<p>100% payment for this task will be made upon successful completion of the task, including one revision, within 2 calendar weeks of contract award. 100% payment withheld until task is completed.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>Progress/Status Reports</p> <p>Task 5.3.1</p>	<p>The contractor shall provide bi-weekly progress/status of the project. The Progress/Status Reports shall show actual progress against the Project Work Plan.</p>	<p>The GTR will review the report to ensure that the project is on schedule and progress is being made toward the objective of the review.</p>	<p>100% payment for this task will be made on successful completion of the task as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>(a) Assess and Confirm twelve HUD Financial Systems and related feeder processes as Conforming or Non-Conforming in accordance with OMB Circular A-127, FMFIA, FFMIA, applicable regulatory and statutory requirements.</p> <p>(b) Determine financial status for each system.</p> <p>(c) When a system is noncompliant, assess level of noncompliance - providing status of each noncompliant system and impact of noncompliance on agency financial management.</p> <p>(d) What is required to bring system into compliance?</p> <p>(e) Discuss audit determinations and provide complete status with reasons for agreement or disagreement.</p> <p>Task 5.4.1 and 5.4.2</p>	<p>(a) Contractor shall conduct an independent review of HUD's financial systems, according to, but not limited to:</p> <ul style="list-style-type: none"> • OMB Circular A-127 • FMFIA • the Financial Management Systems Compliance Review Guide—JFMIP Exposure Draft • Other Government requirements listed in Standards and Guidelines, Section 8.1. <p>(b) Contractor shall confirm that each system conforms or does not conform according to the standards listed above and provide rationale for determination on all conclusions – particularly providing rationale for agreement or disagreement with the status of audit issues.</p>	<p>Documentation of assessment and confirmation shall be provided to the GTM according to the PWP for scheduling, and the QCP for quality issues. The GTM will check Contractor deliverables for compliance with OMB Circular A-127 requirements.</p>	<p>To highlight the crucial nature of this task to the A-127 Review project, when acceptable justifications are not provided for delays in meeting deadlines, 100% payment will be withheld each month until deadlines are met for that month, as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>Test and confirm twelve HUD financial systems and related feeder processes as conforming or non-conforming to the requirements of OMB Circular A-127. While testing may involve user and technical personnel data comparisons, this kind of testing cannot be the sole test to fulfill this requirement. The actual system must be tested in accordance with the requirements outlined in C.6 of this PWS and the HUD SDM as discussed in 5.5 of this PWS.</p> <p>Task 5.5.1</p>	<p>(a) Contractor shall physically test each system to ensure conformance with the requirements of OMB Circular A-127. This does not include user and technical review personnel comparisons. While testing may involve user and technical personnel data comparisons, this kind of testing cannot be used as the sole test to fulfill this task.</p> <p>(b) The contractor shall confirm that each system conforms or does not conform according to the standards listed above and provide rationale for determination. In cases where the system does not conform, the contractor will provide impact on current financial management and cite potential risks.</p>	<p>Documentation of physical system test results and confirmation shall be provided to the GTM according to the PWP for scheduling, and the QCP for quality issues. The GTM will check Contractor deliverables for compliance with OMB Circular A-127 requirements.</p>	<p>To highlight the crucial nature of this task to the A-127 Review project, when acceptable justifications are not provided for delays in meeting deadlines, 100% payment will be withheld each month until deadlines are met for that month, as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>(a) Document and thoroughly edit, in standard Government format, recommended improvements needed for compliance of each system according to Federal requirements. (b) When the GTM or contractor determines that manual and/or automated procedures are inadequate user guides, the contractor will assist the program area and GTM in developing documentation and will prepare the final document as requested by the GTM. (c) At the end of the review, the contractor must provide a tabbed consolidated summary report of systems reviewed with outcomes for each system. <u>NOTE:</u> <i>Procedures for the automated and manual business processes for each system must be completed.</i></p> <p>Task 5.6.1</p>	<p>Documented recommendations for each system shall include:</p> <p>(a) definition of each non-conforming factor.</p> <p>(b) recommendations to bring non-conforming systems into conformance for each factor/element according to OMB Circular A-127 and other Government requirements</p> <p>(c) measurable steps toward migration into conformance for each recommended improvement.</p> <p>(d) The contractor shall confirm that each system conforms or does not conform according to the standards listed above and provide rationale for determination. In cases where the system does not conform, the contractor shall provide impact of the non-conformance on current financial management and cite potential risks.</p>	<p>Documents delivered on time, according to the milestones in the PWP, and in HUD's accepted format (Attachment (B)). The GTM will spot check Contractor deliverables for compliance with OMB Circular A-127 requirements.</p>	<p>To highlight the crucial nature of this task to the A-127 Review project, when acceptable justifications are not provided for delays in meeting deadlines, 100% payment will be withheld each month until deadlines are met for that month, as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>(a) Evaluate Program Office's remediation and/or action plans to correct deficiencies (b) Evaluate "proactive measures" plan to prevent future findings of material weakness or reportable conditions.</p> <p>Task 5.7.1</p>	<p>Contractor shall:</p> <p>(a) evaluate program office remediation and/or action plans to correct identified deficiencies, and</p> <p>(b) recommend plan improvements.</p>	<p>When the contractor's final report identifies deficiencies, Program Offices will submit a remediation and/or action plan.</p> <p>Once remediation and/or action plan is delivered to the Contractor, Contractor shall submit evaluation of the remediation and/or action plan within 2 calendar weeks.</p> <p>Documents shall be in HUD's accepted format as shown in <i>Attachment (B)</i> of this PWS.</p>	<p>To highlight the crucial nature of this task to the A-127 Review project, when acceptable justifications are not provided for delays in meeting deadlines, 100% payment will be withheld each month until deadlines are met for that month, as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

<i>Performance Requirement</i>	<i>Performance Standard</i>	<i>Performance Measurement(s)</i>	<i>Performance Incentive(s)</i>
<p>Create Word automated self-assessment tool to be used by program office participants as described in Section 5.8 under Tasks.</p> <p>Task 5.8.1</p>	<p>Computer Disk shall include but not be limited to Federal financial management systems compliance review criteria, OMB policy requirements such as Circulars A-127 and A-130; external reporting requirements such as FFMIA, OMB Circular A-123, and FMFIA; and other applicable regulatory and statutory requirements that include Treasury, GAO, JFMIP, and OPM.</p>	<p>CD delivered on time, according to the milestones in the PWP, and in HUD's accepted format.</p> <p>The GTM will spot check Contractor deliverables for compliance with OMB Circular A-127, related regulatory and statutory requirements.</p>	<p>To highlight the crucial nature of this task to the A-127 Review project, when acceptable justifications are not provided for delays in meeting deadlines, 100% payment will be withheld until deadlines are met in accordance with the schedule as determined by the GTM.</p> <p><u>PLEASE NOTE:</u> Additional incentives are not anticipated for this task.</p>

Explanation of columns:

Performance Requirement	A specific task to be completed, or deliverable to be provided.
Performance Standard	The empirical baseline against which the quality and timeliness of the Contractor's performance will be measured, expressed as the minimum objective that must be achieved for performance to satisfy the requirements of the contract.
Performance Measurement	Criteria by which Contractor's work output is measured against the requirements of the contract
Performance Incentive	<p><i>Positive Incentives</i> – Actions to be taken if work exceeds standards.</p> <p><i>Negative Incentives</i> – Actions to be taken if work does not meet standards.</p>

8. GOVERNMENT FINANCIAL SYSTEMS ENVIRONMENT

8.1. Standards and Guidelines

Standards and guidelines that are necessary to understand the HUD IT environment and those that may apply to this PWS are listed in the table below. These standards and guidelines have been coded as mandatory and advisory. The Contractor shall comply with those standards and guidelines coded as mandatory. The Contractor shall be guided by those standards and guidelines coded advisory to the extent necessary to accomplish requirements in the PWS. All OMB documents listed below are available on the OMB website at www.omb.gov. For GAO documents, the address is www.gao.gov or you may click in this document on the *underlined* web address anywhere in the document and go directly to the website.

Document Number	Title	Website	Released	Mandato ry/ Advisory
OMB Circular A-127	Office of Management and Budget (OMB)	www.omb.gov	Revised July 1993	M
P.L. 104-208	Federal Financial Management Improvement Act (FFMIA) of 1996	www.omb.gov/financial	Revised January 2001	M
P.L. 97-255	Federal Managers Financial Integrity Act (FMFIA), 1982	www.omb.gov/financial	1982	M
P.L. 101-576	Chief Financial Officers Act of 1990	www.omb.gov/financial	1990	M
HUD OIG 00-FO-177-0003	Office of Inspector General (OIG) Audit of FY 2000 Financial Statements, March 1, 2001, OIG reports for 2002 and 2003	www.hud.gov/oig/oiginter.html	2001 2002 2003	M
GAO/AIMD-00-21.2.2	Core Financial System Requirements: Checklist for Reviewing Systems Under the Federal Financial Management Improvement Act, February 2000.	www.gao.gov	2000	M
OMB Bulletin No. 98-08	Audit Requirements for Federal Financial Statements	www.omb.gov	1998	M
OMB Bulletin No. 01-02	Audit Requirements for Federal Financial Statements	www.omb.gov	2000	M
HUD 2400.24, REV 1	HUD Handbook on Automated Data Processing (ADP) Security Program	www.hud.gov/po/i/it/security/security.htm	Use Current	M
Current Release	HUD's System Development Methodology (SDM)	www.hud.gov/po/i/it/sd/sd.htm	February 2002 or Current	M

Document Number	Title	Website	Released	Mandato ry/ Advisory
Current Release	SDM Companion Document	www.hud.gov/po/I/it/sd/sd.htm	Current	A
2400.24, REV.1	ADP Security Program—HUD Handbook	www.hud.gov/po/i/it/security/apen d-g.htm	Current	A
2400.24 (Appendices G and H)	Instructions for Security Plans—Major Applications	www.hud.gov/po/i/it/security/apen d-g.htm	Current	A
HUD Handbook 2400.15	SDM Documentation Standards	www.hud.gov/po/I/it/sd/sd.htm	Current	M
Current Release	HUD Project Management Guidelines (Appendix A)	www.hud.gov/po/I/it/sd/sd.htm	Current	M
Current Release	HUD Cost/Benefit Analysis Methodology, Volume I – Methodology	www.hud.gov/po/I/it/sd/sd.htm	Current	M
Current Release	HUD Cost/Benefit Analysis Methodology, Volume II – Workbook	www.hud.gov/po/I/it/sd/sd.htm	Current	A
PL 105-277, Title MVII	<i>Government Paperwork Elimination Act</i>	www.omb.gov	Oct 21 98	M
GAO/AIMD-00-33	"Information Security Risk Assessment Practices of Leading Organizations"	www.gao.gov	Nov 99	M
OMB Memorandum 99-20	"Security of Federal Automated Information Resources"	www.omb.gov	Jun 23 99	M
OMB Circular A-123	Management Accountability and Control	www.omb.gov	1995	M
OMB Circular A-130	* Management of Federal Information Resources * Security of Federal Automated Information Resources"	www.omb.gov	Feb. 1996	M
OMB Circular A-11	Part 3, "Planning, Budgeting, and Acquisition of Capital Assets"	www.omb.gov	Use Current	M
OMB Circular A-34	Instructions for Budget Execution	www.omb.gov		
OMB	"Access With Trust"	www.omb.gov	Sept 98	M
NIST Special Publication 800-9,	Good Security Practices for Electronic Commerce Including Electronic Data Interchange	www.nist.gov	Dec 93	M
NIST Special Publication 800-12	Introduction to Computer Security: NIST Handbook	www.nist.gov	Dec 93	M

Document Number	Title	Website	Released	Mandato ry/ Advisory
NIST Special Publication 800-14	Generally Accepted Principles and Practices for Securing Information Technology Systems	www.nist.gov	Dec 93	M
PL 105-220, Title IV	Section 508 of the Rehabilitation Act of 1998	www.section508.gov	1998	M
Attachment B	HUD Final Review Report Format	<i>Attached</i>	Mar. 17, 2003	M
64 FR 10896	Federal Register, "Proposed Implementation of the Government Paperwork Elimination Act"	www.omb.gov	Mar 5 99	M
Current Release	HUD proposed "Financial Management Systems Compliance Review Guide"	email by request	October 1999	M

8.2. Operating Environment

HUD uses structured design and programming techniques on the Department's Unisys 2200 series mainframe computer systems, IBM-compatible microcomputers, Novell LANs, and IBM-compatible mainframe computer systems. The newer systems have been or are being developed with extensive use of database management systems, fourth-generation languages, Computer Aided Software Engineering (CASE) tools, and relational databases, and commercial off-the-shelf (COTS) applications. HUD has a telecommunications network linking State, Area, and Headquarters Offices, as well as the LAN and mainframe computers.

8.3. Headquarters and Lanham Facilities

All work to be performed under this Performance Work Statement (PWS) shall be conducted at a HUD Headquarters facility, as determined by the GTM, with occasional visits to the mainframe facility operated by Lockheed Martin in Lanham, Maryland. HUD shall coordinate access for the contractor at the Lanham facility as appropriate. Because this work involves HUD's financial management systems, it must not be performed at facilities outside of, or other than, the Federal Government. Questions about this requirement should be directed to the GTM.

C.9. OTHER SPECIAL REQUIREMENTS

9.1. Start and Completion Date

This effort shall start immediately upon contract award and shall be effective for one year.

9.2. Delivery of Products

All products will be delivered to the GTM, located in HUD Headquarters, 451 7th Street, SW, Washington, DC 20410, Room 2208. Twelve hard copies of all draft and final system reports must be provided, and one electronic copy must be provided in files using standard HUD software. One electronic copy must be provided of the draft and the final copy. Without exception, all final deliverables shall be accompanied by a GTR completed Order Product Acceptance Form.

9.3. Standard Work Hours and Personnel

This is a full-time minimum eight-hours per day, five days per week, contract that must be carried out at a designated HUD headquarters work-site. HUD working hours are 8:45 a.m. to 5:15 p.m., Monday through Friday. The Department is on flexible hours between 7:00 a.m. and 6:30 p.m. Contractor resources assigned to key tasks including the project manager, alternate manager, at least two key staff members, and one administrative person, are expected to be available full-time on-site during normal HUD working hours to conduct interviews and participate in working sessions with HUD staff. The administrative person must also assist the GTM in assembling and distributing the A-127 Agency Workbooks.

9.4. Work Site

This is an on-site full-time project. Contractor resources including one administrative person assigned to tasks for this project are expected to carry out the duties and responsibilities of this order at the GTM designated HUD headquarters facility, during regular working hours, from 8:45 a.m. to 5:15 p.m. as stated in paragraph 8.3 above. Any requests for revisions to this requirement must be submitted to the GTM in writing at least five days in advance of the request. The GTM will provide the expected format which must include the justification for the request and any additional system security requirements. HUD approval will be granted only if, it is the conclusion of the Department, that it will serve the best interest of the Federal Government to grant the request.

9.5. HUD Personnel Access

Notwithstanding paragraph. 5.5, when the tasks required by this PWS require the Contractor to have access to, modify, or otherwise use HUD financial management systems, such access shall occur on a non-interference basis. Access on a non-interference basis may require the Contractor to perform the effort after regular business hours and/or on weekends and holidays, so as to minimize the disruption of normal HUD operations. HUD personnel will be made available only through coordination by the GTM or an agency official appointed by the GTM. This procedure includes all meetings, interviews, working sessions or other contacts with agency personnel. As necessary and appropriate, this requirement may be waived by the GTM.

9.6. Security and Controls

HUD Handbook 2400.24 REV.1, ADP Security Program, describes the department's Data Processing Security Program. The policies outlined in the Handbook support the ADP security requirements found in the Model Framework for Management Control Over Automated Information Systems and the ADP Security Guidance from the Office of

Management and Budget (OMB) within circulars A-123, A-127 and A-130. These policies apply to all ADP systems operated by, or on behalf of, HUD and include mainframes, minicomputers, microcomputers and network systems. The Contractor shall comply with HUD's ADP Security Program and complete forms necessary for processing of security clearances.

9.7. Reproduction of Reports and System Documentation

System data or reports are not authorized for reproduction or removal from the HUD building. Printing of reports or other written material, if required, may be authorized provided the material to be reproduced is of a non-sensitive nature and has the specific written authorization of the GTM.